

Message Text

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PAGE 01 CARACA 02091 01 OF 02 282336Z

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 FEA-01 INT-05

EB-08 COME-00 TRSE-00 NSCE-00 SSO-00 USIE-00 INRE-00

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O 282237Z FEB 77

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE 6776

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E.O. 11652: N/A

TAGS: PFOR, EINV, VE, US

SUBJECT: VENEZUELAN NEWSMAGAZINE CHARGES OCCIDENTAL

PETROLEUM BEHIND NEW YORK TIMES STORY

REF: CARACAS 2001

1. SUMMARY. RESUMEN MAGAZINE HAS PUBLISHED A LONG ARTICLE SUGGESTING OCCIDENTAL PETROLEUM AS BEING BEHIND NEW YORK TIMES STORY WHICH LINKED PRESIDENT PEREZ TO ALLEGED CIA PAYMENTS. ARTICLE QUOTES "HIGH" STATE DEPARTMENT SOURCE TO EFFECT THAT TIMES HAD BEEN "TAKEN IN" AND THAT USG HAD STRONG EVIDENCE THAT OCCIDENTAL PLANTED TIMES STORY TO DISCREDIT AND DESTABILIZE PEREZ GOVERNMENT. DEPARTMENT SOURCE ALSO ALLEGEDLY STATED THAT THERE IS NO EVIDENCE TO SUPPORT CHARGE THAT PEREZ RECEIVED CIA PAYMENTS. RESUMEN EDITOR RELATED HOW HE CAME TO CONCLUSION OCCIDENTAL BEHIND TIMES STORY AND HIS INSTRUCTIONS TO REPORTERS TO FERRED OUT THE "FACTS" TO SUPPORT HIS HYPOTHESIS. A HIGHLY PLACED SOURCE WITHIN OCCIDENTAL REPORTEDLY CONFIRMED PEREZ STORY HAD BEEN FABRICATED. RESUMEN ALSO CARRIES AN INTERVIEW WITH TIMES REPORTED DAVID BINDER WHO DESCRIBED

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PAGE 02 CARACA 02091 01 OF 02 282336Z

IN CONTRITE AND CHASTENED FASHION TIME PRESSURES UNDER WHICH HE HAD WORKED TO PRODUCE 500-WORD ARTICLE. HE INDICATED THAT PEREZ' AND WILLY BRANDT'S NAMES HAD BEEN INCLUDED IN HIS LIST OF RECIPIENTS OF CIA FUNDS WITHOUT THOROUGH CHECKING. END SUMMARY.

2. RESPECTED VENEZUELAN WEEKLY NEWSMAGAZINE RESUMEN

IN EDITION ON NEWS STANDS FEBRUARY 28 HAS CHARGED THAT OCCIDENTAL PETROLEUM CO. IS BEHIND FEBRUARY 19 STORY IN NEW YORK TIMES WHICH LISTED PRESIDENT CARLOS ANDRES PEREZ, AMONGST OTHER WORLD LEADERS, AS FORMER RECIPIENT OF CIA FUNDS. IN LONG LEAD ARTICLE, WHICH EDITOR JORGE OLAVERRIA DESCRIBED AS MAGAZINE'S MOST EXHAUSTIVE PIECE OF INVESTIGATIVE REPORTING, RESUMEN QUOTES UNNAMED DEPARTMENT OFFICIAL AS SOURCE OF ABOVE ACCUSATION. RESUMEN REPORTER DESCRIBES SOURCE AS A "SERIOUS AND WELL-INTENTIONED ...HIGH OFFICIAL OF THE DEPARTMENT OF STATE, WITH WHOM I HAD LUNCH YESTERDAY" (APPARENTLY FEBRUARY 23).

3. DEPARTMENT SOURCE WAS SAID TO BE INDIGNANT AT DAMAGE THAT HAD BEEN DONE BY THE WASHINGTON POST'S AND NEW YORK TIMES REVELATIONS. REPORTER SAID SOURCE GAVE THE APPEARANCE OF BEING INTIMATELY INVOLVED IN ALL THAT HAD TAKEN PLACE. FOR EXAMPLE, HE TOLD REPORTER THAT HE WAS SURE THAT IF IT HAD NOT BEEN FOR THE CARNIVAL HOLIDAY WEEKEND, THERE WOULD HAVE BEEN ATTACKS AGAINST THE EMBASSY, AMERICAN CITIZENS, OR AMERICAN PROPERTY. SOURCE DESCRIBED PRESIDENT CARTER AS PARTICULARLY INCENSED AT INCLUSION OF WILLY BRANDT AND CARLOS ANDRES PEREZ IN TIMES' LIST OF RECIPIENTS OF CIA FUNDS. SOURCE REPORTEDLY TOLD REPORTER THAT DAVID BINDER AND THE TIMES HAD BEEN "TAKEN IN" AND AFFIRMED THAT THE USG HAD STRONG EVIDENCE THAT STORY HAD BEEN "PLANTED" BY OCCIDENTAL PETROLEUM TO DISCREDIT AND DESTABILIZE THE PEREZ GOVERNMENT. OCCIDENTAL, TO AVOID HAVING TIMES' CHECKING THOROUGHLY A STORY WHICH LIMITED OFFICIAL USE

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PAGE 03 CARACA 02091 01 OF 02 282336Z

MENTIONED ONLY PEREZ AS RECIPIENT OF CIA MONEY, REPORTEDLY CONCLUDED THAT PEREZ NAME WOULD HAVE A MUCH BETTER CHANCE OF PASSING SCRUTINY IFCIT WERE INCLUDED IN A LIST OF OTHER LEADERS; THE EVENT SUPPOSEDLY TOOK PLACE SOME TIME AGO; AND IT HAD THE APPEARANCE OF TRUTH BY CONFIRMING THE CONCEPTION WHICH MANY AMERICANS HAVE OF LATIN AMERICA AND LATIN LEADERS.

4. DEPARTMENT SOURCE ALSO ALLEGEDLY TOLD RESUMEN REPORTER, "I CAN ASSURE YOU THAT WE HAVE CARRIED OUT A MICROSCOPIC EXAMINATION AND THERE ISN'T THE SLIGHTEST EVIDENCE THAT CARLOS ANDRES PEREZ RECEIVED EVEN ONE CENT, EVEN IF IT WERE ONLY TO PAY CIA AGENTS, OR NOT RECOGNIZE OFFICIALLY THE EXISTENCE OF THIS ORGANIZATION IN THOSE DIFFICULT DAYS." ARTICLE CONCLUDES WITH FOLLOWING ALLEGED STATEMENT BY DEPARTMENT SOURCE: " AS THE WASHINGTON POST HAD STOLEN A MARCH ON THE NEW YORK TIMES, THEY (OCCIDENTAL)

LOOKED FOR BINDER IN THE TIMES OFFICE IN NEW YORK, (SIC)
AND THE ARTICLE APPEARED AS EVERYONE KNOWS. IT IS
A SORDID AFFAIR. BUT IT IS AGAINST SUCH THINGS THAT
PRESIDENT CARTER WANTS TO FIGHT AND THEREFORE I TRUST
THAT YOU WILL DO YOUR PART."

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PAGE 01 CARACA 02091 02 OF 02 282322Z
ACTION ARA-10

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LIMITED OFFICIAL USE SECTION 2 OF 2 CARACAS 2091

5. FIRST PART OF ARTICLE, WHICH WAS WRITTEN BY
EDITOR OLAVARRIA, IS LONG CONVOLUTED DESCRIPTION OF
MENTAL EXERCISE BY WHICH OLAVARRIA BECAME CONVINCED
THAT PUBLICATION OF PEREZ' NAME IN TIMES WAS A SET-UP.
OLAVARRIA STATES THAT HE NEVER HAD THE SLIGHTEST DOUBT
THAT PEREZ WAS A VICTIM OF "GROTESQUE IRRESPONSIBILITY"
ON THE TIMES' PART. OLAVARRIA RECALLS THE RECENT HISTORY
OF OCCIDENTAL IN VENEZUELA, ITS CLAIM FOR COMPENSATION
BY THE GOV FOR ITS NATIONALIZED ASSETS, AND PRESIDENT
PEREZ' RECENT STATEMENT THAT THE GOV WOULD NOT PAY.
OLAVARRIA SURMISES THAT OCCIDENTAL, FINDING ONLY ONE
PERSON, PRESIDENT PEREZ, STANDING IN THE WAY OF
ITS RECEIVING COMPENSATION, DECIDED TO BRING ABOUT
A CRISIS IN THE GOV AS A MEANS OF REMOVING THE
STUMBLING BLOCK. HAVING COME TO THIS CONCLUSION,
OLAVARRIA STATES THAT HE INSTRUCTED THREE REPORTERS
ALREADY WORKING ON THE STORY IN NEW YORK AND WASHINGTON
TO CONCENTRATE ON THE HYPOTHESIS THAT "THE STORY WAS
PLANTED ON BINDER BY OCCIDENTAL PETROLEUM." THE
RESUMEN REPORTERS ALLEGEDLY FOUND A DOZEN SOURCES
WITHIN OR CLOSE TO OCCIDENTAL WHO WERE WILLING TO TALK.
ONE OF THESE, DESCRIBED AS HIGH IN THE COMPANY AND
WELL INFORMED, CONFIRMED THAT THE PEREZ STORY HAD BEEN

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PAGE 02 CARACA 02091 02 OF 02 282322Z

FABRICATED AS A RESULT OF PEREZ' "WILL NOT PAY" DECLARATION. RESUMEN SAID IT WAS NOT DIFFICULT FOR OCCIDENTAL, WITH THE BEST LOBBYISTS IN WASHINGTON, TO TURN BINDER INTO ITS CHOSEN INSTRUMENT. FINALLY, OLAVARRIA NOTED THAT IT WAS USE OF THE WORDS "UNFOUNDED" AND "MALICIOUS" IN PRESIDENT CARTER'S LETTER TO PEREZ THAT CONVINCED HIM THAT SOMETHING ULTERIOR LAY BEHIND THE WHOLE TIMES STORY.

5. RESUMEN ALSO CARRIES AN INTERVIEW WITH TIMES REPORTER DAVID BINDER BY NEW YORK-BASED CORRESPONDENT CIRILO RODRIGUEZ. RODRIGUEZ PAINTS PICTURE OF A CONTRITE AND CHASTENED BINDER REGRETFUL OF ERRORS IN HIS FEBRUARY 19 ARTICLE. BINDER DESCRIBED FOR RODRIGUEZ THE TIME PRESSURES UNDER WHICH THE ARTICLE HAD BEEN WRITTEN. "I WAS ORDERED TO PRODUCE A PIECE OF 500 WORDS IN THE SPACE OF A FEW HOURS." THIS, BINDER SAID, HE DID BY MEANS OF HURRIED TELEPHONE CONTACTS WITHOUT THOROUGHLY CHECKING OUT THE INFORMATION GIVEN HIM. "I AM THE FIRST IN LAMENTING THE LACK OF PRECISION IN THE ARTICLE AND ERRORS WHICH TODAY ARE MORE EVIDENT," BINDER SAID. "MY PERSONAL OPINION IS THAT TWO OF THOSE NAMED, WILLY BRANDT AND CARLOS ANDRES PEREZ, ARE FREE OF ALL SUSPICION." BINDER REPORTEDLY SAID THAT HE NEVER INTENDED TO SUGGEST THAT PEREZ HAD RECEIVED CIA FUNDS FOR HIS PERSONAL USE, ONLY THAT PEREZ ACTED AS A CONDUIT FOR FUNDS WHOSE PURPOSE WAS TO FINANCE INTELLIGENCE ACTIVITIES ON THE PART OF THE GOV. AT THE CONCLUSION OF THE INTERVIEW, BINDER SPECULATED THAT THERE WOULD BE MORE ARTICLES ON THE SAME THEME, BUT "I TRUST THAT THERE WILL NOT BE MORE ERRORS."

7. COMMENT. LOCAL OCCIDENTAL REPRESENTATIVE CARLOS
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PAGE 03 CARACA 02091 02 OF 02 282322Z

BULLOS ADVISED EMBASSY EVENING OF FEBRUARY 26 THAT HE HAD LEARNED EARLIER SAME DAY THAT RESUMEN WAS PUBLISHING ARTICLE LINKING OCCIDENTAL TO NEW YORK TIMES STORY AND THAT THIS ARTICLE HAD ALREADY BEEN REPORTED BY LOCAL UPI OFFICE. HE STATED THAT OCCIDENTAL HAD HAD NOTHING TO DO WITH NEW YORK TIMES STORY AND THAT HE HAD ALREADY

ADVISED HIGH LEVEL GOV OFFICIALS OF THIS. HE ALSO INTENDED
TO DELIVER A LETTER TO THIS EFFECT TO PRESIDENT OF
RESUMEN'S BOARD OF DIRECTORS ON FEB. 27.
NO MATTER HOW INACCURATE
OR IMPOROBABLE THE RESUMEN STORY, ITS PROBABLE EFFECT IS
TO FURTHER PREJUDICE POLITICAL OPINION AGAINST OCCIDENTAL
IN VENEZUELA.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Disposition Approved on Date:
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Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
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Enclosure: n/a
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Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 CARACAS 2001
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3315369
Secure: OPEN
Status: NATIVE
Subject: VENEZUELAN NEWSMAGAZINE CHARGES OCCIDENTAL PETROLEUM BEHIND NEW YORK TIMES STORY
TAGS: PFOR, EINV, SOPN, VE, US, OCCIDENTAL PETROLEUM, NY TIMES
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/062e4bc6-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009